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CENTRAL INTELLIGENCE AGENCY  
Office of Current Intelligence  
1 November 1965

INTELLIGENCE MEMORANDUM

The Indonesian Situation  
(Report # 48 - As of 4:00 P.M. EDT)

1. Attention continues to be focused on Central Java where the army is moving to meet Communist opposition. The army claims to have killed, captured or arrested hundreds of Communist youths in clashes there during the past week.

2. President Sukarno today issued a statement reaffirming the declaration of a "state of war" by the Central Java military command. Sukarno has been reluctant to note publicly the rising armed Communist activity.

3. [REDACTED] the army feels that the Communists are not in a position to wage a serious guerrilla campaign, despite their infiltration of army units in Central Java and their strength in other areas. The army's greatest concern is over basic social and economic problems which could contribute to the growth of Communist strength.

4. Most immediately, the army does not know what to do about the great numbers of people who have recently lost their jobs because of Communist connections. The outlook is not improved by the current protracted dry season, which has delayed the planting of rice and corn crops in Java. The critical time will come during January, February, and March, when rice will be in short supply and, presumably the Communists will strive to exploit the economic situation.

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